

Message Text

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PAGE 01 STATE 267659

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ORIGIN EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 DODE-00 NRC-05 NSAE-00

USIA-06 TRSE-00 ERDA-05 CIAE-00 COME-00 MC-02 INR-07

PA-01 PRS-01 SP-02 NSC-05 /061 R

DRAFTED BY EB/ITP/EWT/HKOPP:TLW

APPROVED BY EB/P:AWATSON

EA/PRCM - JAUBERT

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R 300049Z OCT 76

FM SECSTATE WASHDC

TO AMEMBASSY PARIS

USMISSION OECD PARIS

INFO USLO PEKING

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E.O. 11652: N/A

TAGS: ESTC, CH

SUBJECT: PRESS REPORT ON COMPUTER SALE TO PRC

1. FOR YOUR INFORMATION, FOLLOWING ARTICLE WAS PUBLISHED
IN OCTOBER 25 ISSUE OF AVIATION WEEK AND SPACE TECHNOLOGY:

BEGIN TEXT:

WASHINGTON - PRESIDENT FORD AND THE NATIONAL SECURITY
COUNCIL HAVE APPROVED THE SALE OF U.S. COMPUTER EQUIPMENT
TO THE PEOPLE'S REPUBLIC OF CHINA.

IN A NATIONAL SECURITY COUNCIL DECISION MEMORANDUM OCT. 12,
THE WHITE HOUSE AGREED TO THE SALE OF THE CONTROL DATA CORP.
CYBER 172 COMPUTER SYSTEM AND ASSOCIATED EQUIPMENT SUBJECT
TO SOME SAFEGUARDS RECOMMENDED BY THE DEFENSE DEPT.

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PAGE 02 STATE 267659

THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION (ERDA) HAS OPPOSED THE SALE, BUT THE PENTAGON RECOMMENDED APPROVAL WITH A NUMBER OF SAFEGUARDS:

THAT ONLY ONE OF THE TWO CYBER 172 COMPUTERS BEING PROCURED BY CHINA INITIALLY WILL BE DELIVERED TO PEKING FOR USE IN OIL EXPLORATION. THE SECOND WILL BE DELIVERED WHEN IT IS

ACTUALLY REQUIRED FOR SEISMIC EXPLORATION.

A REQUIRED STATEMENT CERTIFYING THAT THE EQUIPMENT WILL ONLY BE USED FOR CIVIL APPLICATION, AND THAT THE EQUIPMENT WILL NOT BE REEXPORTED WITHOUT PRIOR U.S. APPROVAL.

RESIDENCY OF A WESTERN CONTROL DATA CORP. OFFICIAL AT THE CHINA NATIONAL OIL AND GAS EXPLORATION AND DEVELOPMENT CORP. COMPUTER CENTER FOR THREE YEARS AFTER COMPUTER INSTALLATION WITH FULL ACCESS TO THE CENTER.

PROVISIONS FOR FULL INFORMATION ON COMPUTER USE AND PROGRAMING DATA. CONTROL DATA CORP. WILL BE REQUIRED TO MONITOR THE USE OF THE EQUIPMENT AND UTILIZATION OF SPARE PARTS.

AFTER DEMONSTRATION BY THE CHINESE TO CONTROL DATA CORP. THAT THE COMPUTER AND EQUIPMENT IS DEDICATED TO SEISMIC RESEARCH, MONTHLY VISITS TO BE REQUIRED TO THE COMPUTER CENTER WITH A REPORT ON THE USE.

PROVISIONS TO REMOVE ALL CDC PERSONNEL AND TO HALT DELIVERY OF ALL SPARES AND TECHNICAL SUPPORT IF THE SAFEGUARDS ARE VIOLATED.

IN APPROVING THE SALE, THE PRESIDENT REVIEWED INFORMATION IN MEMORANDUMS FROM THE CHAIRMAN OF THE EXPORT REVIEW BOARD. THE NATIONAL SECURITY COUNCIL MEMORANDUM SAID THAT, WHILE THE TERMS OF THE SALE DO NOT MEET SAFEGUARD REQUIREMENTS GENERALLY AGREED TO FOR EAST-WEST TRADE, THE SECRETARY OF STATE HAS CONCLUDED THE SALE IS IN THE FOREIGN POLICY INTEREST OF THE U.S.
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PAGE 03 STATE 267659

THE SAFEGUARD CONDITIONS PLACED ON THE COMPUTER SALE TO CHINA ARE ADEQUATE TO SATISFY THE PENTAGON REQUIREMENTS BUT NOT AS STRINGENT AS THOSE PLACED ON THE SALE OF HIGH-TECHNOLOGY EQUIPMENT TO THE EASTERN EUROPEAN BLOC NATIONS.

FINAL APPROVAL OF THE SALE CAME LAST WEEK AFTER THE COMPANY AND THE CHINESE AGREED TO THE CONDITIONS. NO

EXPORT LICENSE HAS BEEN GRANTED YET, BUT CDC WILL BE INFORMED TO PROCEED ON THE BASIS THAT IT WILL BE ISSUED.

APPROVAL WILL BE REQUIRED BY THE INTERNATIONAL EXPORT CONTROL COORDINATING COMMITTEE (COCOM). AN EXCEPTION FROM THAT COMMITTEE IS REQUIRED IF THE SALE OF EQUIPMENT TO COMMUNIST BLOC NATIONS EXCEEDS THE LIMITS ESTABLISHED BY COCOM. (AW&ST APR. 12, P. 16).

THE ESTIMATED COST OF THE EQUIPMENT TO CHINA IS TWO MILLION DOLLARS. THE SOFTWARE FOR THE CYBER 172 SYSTEM WILL BE DEVELOPED BY COMPAGNIE GENERALE GEOPHYSIQUE, A FRENCH FIRM.

THE CYBER 172 IS THE SMALLEST OF THE 170 SERIES COMPUTERS, AND THE MACHINE HAS THE CAPABILITY FOR 1.4 MILLION INSTRUCTIONS/SEC. AVERAGE IN A GENERAL-PURPOSE ROLE. THE CYBER 172 HAS 1.3 MILLION CHARACTERS IN THE CENTRAL STORAGE MEMORY AND IS A NETWORK OPERATED SYSTEM.

THE MODEL 844 DISK PACKS BEING SOLD WITH THE TWO 172S HAVE FOUR DISKS IN EACH PACK WITH A STORAGE CAPACITY OF 870 MILLION BITS AND AN ACCESS TIME OF 30 MILLISEC.

IN ADDITION TO THE POSSIBILITY OF USING THE COMPUTER EQUIPMENT FOR NUCLEAR WEAPONS CALCULATION WITHOUT THE SAFEGUARDS, CYBER 172S AND MEMORY CORE COULD BE USED FOR ANTI-BALLISTIC MISSILE SYSTEMS AND A LARGE PHASED-ARRAY RADAR TO TRACK ICBMS, SOME ADMINISTRATION EXPERTS SAY.

A HIGHER-CAPACITY COMPUTER, THE CYBER 74 IS NOW USED IN USAF'S COBRA DANE PHASED-ARRAY RADAR ON SHEMYA IN THE ALEUTIAN ISLANDS, AND A NEWER VERSION, THE CYBER 174, WILL LIMITED OFFICIAL USE

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PAGE 04 STATE 267659

BE USED IN THE AIR FORCE'S TWO NEW PAVE PAWS PHASED-ARRAY RADARS TO BE INSTALLED ON THE EAST AND WEST COASTS TO DETECT SUBMARINE-LAUNCHED BALLISTIC MISSILES.

CDC REFUSED TO COMMENT ON THE SALE OF THE COMPUTER EQUIPMENT TO CHINA. END TEXT.

2. PLEASE REFER ANY INQUIRIES FROM PRESS OR PUBLIC TO WASHINGTON. DO NOT COMMENT. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, DATA PROCESSING EQUIPMENT, STRATEGIC TRADE CONTROLS, PRESS RELEASES, COMPUTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 OCT 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE267659
Document Source: CORE
Document Unique ID: 00
Drafter: TLW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760405-1245
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976102/aaaaaaauq.tel
Line Count: 163
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 13 NOV 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 NOV 2003 by GarlanWA>; APPROVED <16 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS REPORT ON COMPUTER SALE TO PRC
TAGS: ESTC, CH, US
To: PARIS OECD PARIS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006